

Transactional Securities Exemption Table

The following table provides general descriptions of transactional exemptions from registration available for the offer and sale of securities in the Commonwealth of Virginia. This information is to provide general information regarding some of the most common transactional exemptions. This table does not list all exemptions. Additional transactional exemptions can be found in § [13.1-514 B](#) of the Virginia Securities Act. If planning to rely upon an exemption please refer to the actual statute and related rules for more in depth information. If you have any questions, please contact a member of the Examination section at 1-800-552-7945.

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Isolated Transaction	Exemption for an isolated transaction which is not for the benefit of the issuer.	No filing requirements.		Issuer agent is not required to register.	13.1-514 B 1
Nonissuer Distribution	Exemption for any nonissuer distribution by a registered broker-dealer and its registered agent of a security	No filing requirements.	Security must be publicly outstanding for the past five years and issuer must have paid dividends for the past 3 fiscal years equal to at least 4% of its current price.	Transaction must be executed through a registered broker-dealer and its registered agents.	13.1-514 B 2
Unsolicited Orders	Exemption for any transaction by a registered broker-dealer and its registered agent or an unsolicited offer to purchase.	No filing requirements.	Transaction must be effected by or through a registered broker-dealer.		13.1-514 B 3
Transactions by a receiver, trustee in bankruptcy or other judicially appointed officer		No filing requirements.		Issuer agent is not required to register.	13.1-514 B 5
Sales to an Institution	Any offer to sale to a corporation, investment company, pension, profit-sharing trust, or to a broker-dealer.	No filing requirements.		Issuer agent is not required to register.	13.1-514 B 6
Nonpublic Limited Offering	Nonpublic sale of securities by an issuer or registered broker-dealer such that the issuer does not have more than 35 security holders in the aggregate, after the sale.	No filing requirements.	No offers to the general public by advertisement or solicitation.	Issuer agent is not required to register.	13.1-514 B 7 a 21VAC5-40-170

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Domestic Issuer Limited Transactional Exemption	Sale of securities by an issuer or by a registered broker-dealer if the issuer does not have more than 35 persons in the Commonwealth during any period of consecutive 12 months.	<p>To be filed at least 15 days prior to the first sale in the Commonwealth.</p> <ul style="list-style-type: none"> - A copy of Form VA-1, including Part 2 -- if applicable or a disclosure document containing the information required by the Form; - An executed Consent to Service of Process (Form U-2) appointing the Clerk of the State Corporation Commission as its agent for service of process; - An undertaking to promptly provide to the Commission, upon request, additional information as the Commission may require; and -A nonrefundable filing fee of \$250 payable to the Treasurer of Virginia. 	<p>Principal place of business of the issuer must be located in the Commonwealth of Virginia.</p> <p>No offers to the general public by advertisement or solicitation.</p> <p>Maximum offering amount of \$2,000,000.</p> <p>Please see section “B” of 21VAC5-40-100 for additional disqualifications.</p>	<p>Issuer agent is not required to register.</p>	<p>13.1-514 B 7 b</p> <p>21VAC5-40-100</p> <p>21VAC5-40-130</p> <p>Form VA-1</p> <p>Form U-2</p>
Existing Security Holders	Exemption for any transactions pursuant to an offer to existing security holders of the issuer.	There are no filing requirements unless a commission will be paid, in which case the issuer must file a notice specifying the terms of the offer at least 5 business days prior to any sale. The sale may move forward after five business days if the Commission does not disallow the exemption.	Existing security holders include persons who at the time of the transaction are holders of transferable warrants exercisable within not more than 90 days of their issuance.	<p>Issuer agent is not required to register.</p> <p>If a notice is filed first, commissions may be paid to salespersons or broker-dealers. Registration as a salesperson or broker-dealer is not required.</p>	<p>13.1-514 B 8</p>

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Red Herring Exemption	Exemption for offers, but not sales, of securities for which registration statements have been filed under the Virginia Securities Act and the Securities Act of 1933	Registration statement must be on file with the Division and the SEC.	<p>Exemption is for offers only, not sales.</p> <p>In order to claim exemption, the issuer must not be the subject of any stop order and no public proceeding or examination looking toward such an order may be pending under the Virginia Securities Act or the Securities Act of 1933.</p>	Issuer agent is not required to register as a broker-dealer. Since no sales may occur, no commission may be paid.	13.1-514 B 9
Nonpublic offering under Regulation “D” Rule 506(b)	Exemption for sales not involving a public offering pursuant to Rule 506(b) of Regulation D.	<p>To be filed within 15 days of first sale or delivery of signed subscription agreement from resident of VA:</p> <ul style="list-style-type: none"> - A manually signed copy of the Form D filed electronically (link is external) with the SEC. - \$250 filing fee. 	<p>Effective October 9, 1996, pursuant to the National Securities Market Improvement Act of 1996 (NSMIA), offerings made pursuant to federal Rule 506 are preempted from state regulation. Such offerings, however, remain subject to the filing and fee requirements.</p> <p>The offering may be sold to an unlimited number of accredited investors and to not more than 35 non-accredited investors, regardless of residency. There is no limit on the offering amount.</p>	For offerings exempt under Rule 506(b) of Regulation D, there are no registration requirements.	21VAC5-45-20 SEC Form D

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Offering involving general solicitation under Regulation "D" Rule 506(c)	Exemption for sales only to verified accredited investors pursuant to Rule 506(c) of Regulation D.	<p>To be filed within 15 days of first sale or delivery of signed subscription agreement from resident of VA:</p> <ul style="list-style-type: none"> - A manually signed copy of the Form D filed electronically (link is external) with the SEC; - \$250 filing fee. 	<p>Effective October 9, 1996, pursuant to the National Securities Market Improvement Act of 1996 (NSMIA), offerings made pursuant to federal Rule 506 are preempted from state regulation. Such offerings, however, remain subject to the filing and fee requirements.</p> <p>All purchasers of the securities must be verified accredited investors. There is no limit on the offering amount.</p>	For offerings involving general solicitation under Rule 506(c) of Regulation D, salespersons and broker-dealers may need to be registered in order to receive commissions or other remuneration.	<p>21VAC5-45-20 SEC Form D</p>
Security Dividends	Exemption for the issuance of any security dividend by a corporation	No filing requirements.	<p>The corporation distributing the security does not necessarily have to be the issuer of the security.</p> <p>Nothing of value may be given by the stockholders in consideration for the security dividend. Shareholders can elect to receive the dividend in cash or in a security.</p>	Issuer agent is not required to register. Since no payment may be made in connection with a security dividend, no commission may be paid.	13.1-514 B 14

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Mergers/Reorganizations	Exemption for any transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation, sale of assets, or exchange of securities.	No filing requirements.		Issuer agent is not required to register.	13.1-514 B 15
Sales to Accredited Investors	Accredited Investor Exemption for offerings limited to accredited investors. Public solicitation is permitted.	<p>To be filed no later than 15 days after first sale in VA:</p> <ul style="list-style-type: none"> -A manually signed copy of the Model Accredited Investor Exemption form. -A completed Uniform Consent to Service of Process. -Copy of general announcement (if applicable.) -\$250 filing fee. 	<p>The issuer must reasonably believe that all purchasers are purchasing for investment purposes only, not for resale.</p> <p>Issuer should believe before the sale the accredited investor has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the prospective investment.</p>	Issuer agent is not required to register.	<p>13.1-514 B 19</p> <p>21VAC5-40-140</p> <p>Model Accredited Investor Form</p> <p>Form U-2</p>
Virginia Intrastate Crowdfunding Exemption	<p>Intrastate Crowdfunding Exemption for offerings up to \$2,000,000 for issuers formed under the laws of the Commonwealth of Virginia.</p> <p>The issuer cannot accept more than \$10,000 from a single purchaser unless an accredited investor.</p>	<p>To be filed 20 days prior to an offer of securities is made in reliance of this exemption.</p> <ul style="list-style-type: none"> -Completed Form ICE or copy of disclosure document. -Filing fee of \$250. 	<p>Financial statement requirements determined by amount of offering.</p> <p>\$500,000 or less – certified by officer</p> <p>More than \$500,000 but less than \$1,000,000 – reviewed financials</p> <p>\$1 million or more – audited financials.</p>	Issuer agent is not required to register.	<p>13.1-514 B 21</p> <p>21VAC5-40-190</p> <p>Form-ICE</p>

Exemption	General Description	Filing Requirements	Considerations	Broker-Dealer Registration	Related Statute, Regulations & Applicable Forms
Federal Regulation "A" Tier 2 Offering	Exemption for offerings conducted under Federal Regulation A Tier 2.	<p>To be filed 21 calendar days prior to the initial sale in the Commonwealth of Virginia.</p> <p>-Completed Regulation A-Tier 2 Notice Filing Form or copies of all documents filed with the United States, Securities and Exchange Commission.</p> <p>-Form U-2 only required if not using the Regulation A Tier 2 Notice Filing Form.</p> <p>-Initial filing fee of \$500.</p> <p>-If offering is extended beyond 12 months a renewal notice filing and renewal fee of \$250 will be required. Please see applicable rule.</p>		The issuer is not required to register as a broker-dealer.	<p>13.1-514 B 22</p> <p>21VAC5-45-30</p> <p>REG-A (Tier 2)</p> <p>Form U-2</p>